

SURREBUTTAL TESTIMONY OF

ANTHONY D. BRISENO

ON BEHALF OF

THE SOUTH CAROLINA OFFICE OF REGULATORY STAFF

DOCKET NO. 2020-125-E

**IN RE: APPLICATION OF DOMINION ENERGY SOUTH CAROLINA,
INCORPORATED FOR ADJUSTMENT OF RATES AND CHARGES**

Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND OCCUPATION.

A. My name is Anthony D. Briseno. My business address is 1401 Main Street, Suite 900, Columbia, South Carolina 29201. I am employed by the State of South Carolina as an Audit Manager for the Office of Regulatory Staff (“ORS”).

Q. DID YOU FILE DIRECT TESTIMONY RELATED TO THIS PROCEEDING?

A. Yes. I filed direct testimony with the Public Service Commission of South Carolina on November 10, 2020.

Q. WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY IN THIS PROCEEDING?

A. The purpose of my surrebuttal testimony is to respond to the rebuttal testimony filed by Dominion Energy South Carolina Inc. (“Company” or “DESC”) witness Keith Coffey, Jr. on December 2, 2020. Specifically, I will address his responses to ORS recommendations related to classification of the amortization of the deferrals, changes to deferral balances, and the tree trimming and vegetation management accrual.

Q. WHAT IS ORS’S RESPONSE TO WITNESS COFFEY’S REBUTTAL TESTIMONY REGARDING THE DEFERRAL AMORTIZATION (PAGE 13,

LINE 12 THROUGH PAGE 14, LINE 5 AND PAGE 15, LINE 3 THROUGH LINE 9)?

A. The Company does not object to the removal of the deferral amortizations from the working capital calculation. However, the Company does request that deferral amortizations continue to be recorded to operations and maintenance expense (“O&M”) to be consistent with the Federal Energy Regulatory Commission (“FERC”) Uniform System of Accounts. ORS does not object to the Company’s request to allocate certain portions of the deferrals into O&M for the purposes of FERC reporting. The ORS recommendation to record the deferral amortizations in depreciation and amortization expense is consistent with the manner in which Duke Energy Progress, LLC, and Duke Energy Carolinas, LLC record deferral amortizations and was approved by the Commission in Docket Nos. 2018-318-E, and 2018-319-E. In those dockets, the amortization of all deferrals was included within the depreciation and amortization classification and the amortization expense was not included in the calculation of working capital.

Regarding witness Coffey’s request that the established deferral amortization remain in effect until the entire deferral account balance is recovered, ORS does not object to the Company’s request provided that ORS is allowed the opportunity to review the additional deferred amounts incurred after May 31, 2020 in a subsequent general rate case. Additionally, ORS requests that the same treatment be afforded to the regulatory liabilities (Adjustment No. 15 GENCO Excess Deferred Income Taxes and Adjustment No. 26 Tax Reform Refund) as is its regulatory assets.

Q. WHAT IS ORS'S RESPONSE TO WITNESS COFFER'S REBUTTAL TESTIMONY STARTING ON PAGE 15, LINE 10 THROUGH PAGE 17, LINE 10 ON THE TREE TRIMMING AND VEGETATION MANAGEMENT ACCRUAL?

A. After reviewing the Company's rebuttal testimony, ORS issued and the Company responded, to ORS's Continuing Request for Production of Books, Records and Other Information ("ORS Request") 14. In this request, ORS requested that the Company quantify the hourly work attributable to tree trimming and vegetation management for the five (5) years preceding 2019. Based upon the Company's response ORS concluded that the level of hourly work in the 2019 test year was reasonable. The Company correctly recorded the hourly work separate from the accrual. Based on witness Coffe's additional clarification of the hourly and cyclical work and the additional discovery, ORS accepts the Company's updated adjustment as provided by the Company in response to ORS Request 8-6 which adjusts other O&M expenses by \$3,786,000, income taxes by (\$944,000), and working capital by \$473,000.

Q. WILL YOU UPDATE YOUR SURREBUTTAL TESTIMONY BASED ON INFORMATION THAT BECOMES AVAILABLE?

A. Yes. ORS fully reserves the right to revise its recommendations via supplemental testimony should new information not previously provided by the Company, or other sources, becomes available.

Q. DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY?

A. Yes, it does.